

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: HEALTH CARE FINANCING ADMINISTRATION**

1. TRANSMITTAL NUMBER:

0 1 — 0 6

2. STATE:

MICHIGAN

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

October 1, 2001

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN

☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN

☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR 435

7. FEDERAL BUDGET IMPACT:

a. FFY 2001-2 \$ negligible

b. FFY 2002-3 \$ negligible

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Supplement 8a to Attachment 2.6-A, page 1
Supplement 8b to Attachment 2.6-A, page 1
Supplement 12 to Attachment 2.6-A, pages 1-3

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):

Supplement 8a to Attachment 2.6-A, page 1
Supplement 8b to Attachment 2.6-A, page 1
Supplement 12 to Attachment 2.6-A, pages 1-5

10. SUBJECT OF AMENDMENT:

Expansion of eligibility disregards

11. GOVERNOR'S REVIEW (Check One):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT

☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☐ OTHER, AS SPECIFIED:

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

James K. Haveman, Jr.

14. TITLE:

Director

15. DATE SUBMITTED:

6-29-01

16. RETURN TO:

Michigan Department of Community Health
Office of Federal Liaison
6th Floor Lewis Cass Building
320 South Walnut Street
Lansing, Michigan 48913
Attention: Nancy Bishop

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

7/3/01

18. DATE APPROVED:

7/21/01

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

10-1-01

20. SIGNATURE OF REGIONAL OFFICIAL:

Cheryl A. Harris

21. TYPED NAME:

Cheryl A. Harris

22. TITLE:

Associate Regional Administrator
Division of Medicaid and Children's Health

23. REMARKS:

RECEIVED

JUL 03 2001

DMCH - MI/MN/WI

RECEIVED

JUL 03 2001

DMCH/MPC

STATE OF MICHIGAN
STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Michigan

MORE LIBERAL METHODS OF TREATING INCOME UNDER SECTION 1902(r)(2) OF THE ACT

- 1) For the groups covered by sections 1902(a)(10)(A)(ii)(X) and 1905(p) of the Act:
 - Disregard the value of in-kind support and maintenance
- 2) For children eligible under section 1902(a)(10)(A)(i)(VI) and defined in 1902(l)(1)(C) of the Act:
 - Disregard income in the amount of the difference between 133% and 150% of the federal poverty level of the family size involved, as revised annually in the Federal Register.
- 3) For children eligible under section 1902(a)(10)(A)(i)(VII) and defined in 1902(l)(1)(D) of the Act:
 - Disregard income in the amount of the difference between 100% and 150% of the federal poverty level of the family size involved, as revised annually in the Federal Register.
- 4) For qualified children under section 1902(a)(10)(A)(i)(III) and defined in section 1905(n) of the Act:
 - Disregard income in the amount of the difference between the AFDC level and 150% of the federal poverty level of the family size involved plus \$1, as revised annually in the Federal Register.
- 5) For pregnant women eligible under section 1902(a)(10)(A)(i)(IV) and defined in 1902(l)(1)(A) of the Act:
 - Disregard income in the amount of the difference between 133% and 185% of the federal poverty level of the family size involved, as revised annually in the Federal Register.
- 6) For qualified pregnant women under section 1902(a)(10)(A)(i)(III) and defined in section 1905(n) of the Act:
 - Disregard income in the amount of the difference between the AFDC level and 185% of the federal poverty level of the family size involved plus \$1, as revised annually in the Federal Register.
- 7) For all Medicaid categories subject to 1902(r)(2) of the Act, disregard the funds on deposit in an Individual Development Account (IDA), interest earned on an IDA, and matching funds deposited in the IDA.

TN # 01-06
Supercedes
TN # 98-05

Approval Date _____

Effective Date 10-01-01

STATE OF MICHIGAN
STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Michigan

MORE LIBERAL METHODS OF TREATING RESOURCES UNDER SECTION 1902(r)(2) OF
THE ACT

- 1) For the SSI-related categories of the Act:
 - Resource exemptions are:
 - Homestead if it is in Michigan
 - Clothing, household goods and personal effects regardless of value
 - One automobile regardless of how it is used or its value
 - Payment received for the planned repair or replacement of property that was lost, stolen, damaged, or destroyed. Not time limit is imposed.
 - Unsalable property is not a countable resource. The property is unsalable when either: a) two knowledgeable sources state the property is unsalable due to a specified condition, or b) an actual sale attempt is made and no reasonable offer to purchase has been received. Conditional eligibility and repayment agreements are not required.
 - Resource eligibility exists for an entire calendar month if countable resources are equal to, or less than, the resource standard at any time during that calendar month.
- 2) For AFDC-related groups subject to 1902(r)(2)
 - Disregard all resources.
- 3) For all Medicaid categories subject to 1902(r)(2) of the Act, disregard the funds on deposit in an Individual Development Account (IDA), interest earned on an IDA, and matching funds deposited in the IDA.

TN # 01-06

Approval Date _____

Effective Date 10-01-01

Supercedes

TN # 97-14

STATE OF MICHIGAN
STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Michigan

ELIGIBILITY UNDER SECTION 1931 OF THE ACT

The State covers low-income families and children under section 1931 of the Act.

The following groups were included in the AFDC State plan effective July 16, 1996:

☐ Pregnant women with no other eligible children

☐ AFDC children age 18 who are full-time students in a secondary school or in the equivalent level of vocational or technical training.

☐ In determining eligibility for Medicaid, the agency uses the AFDC standards and methodologies in effect as of July 16, 1996 without modification.

☒ In determining eligibility for Medicaid, the agency uses the AFDC standards and methodologies in effect as of July 16, 1996, with the following modifications:

☐ The agency applies lower income standards that are no lower than the AFDC standards in effect on May 1, 1988.

☐ The agency applies higher income standards than those in effect as of July 16, 1996, increased by no more than the percentage increases in the CPI-U since July 16, 1996.

☐ The agency applies higher resource standards than those in effect as of July 16, 1996, increased by no more than the percentage increases in the CPI-U since July 16, 1996.

☒ The agency uses less restrictive income and/or resources methodologies in determining eligibility on or after July 16, 1996 as follows:

1. Countable resources – only count cash resources. Cash includes:

- Money/currency
- Uncashed checks
- Drafts and warrants
- Checking
- Savings
- Draft, share, and money market accounts
- Time deposits such as certificates of deposit; investments such as stocks, bonds, and mutual funds; retirement plans such as IRA's Keogh plans, 401K plans, pension plans and annuities; and trusts

Disregard the funds on deposit in an Individual Development Account (IDA), interest earned on an IDA, and matching funds deposited in the IDA.

Disregard \$2,000 of cash resources

TN # <u>01-06</u>	Approval Date _____	Effective Date <u>10-01-01</u>
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Supersedes

TN # 97-10

STATE OF MICHIGAN
STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
State: Michigan

ELIGIBILITY UNDER SECTION 1931 OF THE ACT (continued)

Resource eligibility exists for an entire calendar month if countable resources are equal to, or less than, the resources standard at any time during the month.

2. Income –

- Disregard all income in excess of 185% gross income test for purposes of the 185% test.
- Disregard the funds on deposit in an Individual Development Account (IDA), interest earned on an IDA, and matching funds deposited in the IDA.

3. Income deductions –

- allow purchase of capital assets and payments on the principal of business loans as a business expense.
 - For applicants who have **NOT** received LIF in at least one of the past four months, the state will apply an earned income disregard of \$200 plus 20% of the remaining earned income.
 - For applicants or recipients who **HAVE** received LIF in at least one of the past four months, the state will apply an earned income disregard of \$30 plus $\frac{1}{3}$ of the remaining income or an earned income disregard of \$200 plus 20% of the remaining earned income whichever is most beneficial
4. No time limit for the \$30 plus $\frac{1}{3}$ income disregard if a family received Medicaid using the Social Security Act 1931 provisions.
5. All income earned by dependent children who are students is excluded from income and resources.

The income and/or resource methodologies that the less restrictive methodologies **replace** (that were in place before July 16, 1996) are as follows:

1. Countable resources included both cash and noncash
2. All cash resources were considered
3. Resource eligibility exists if countable resources are equal to, or less than, the resources standard for each day in the month.
4. All income was considered for purposes of the 185% gross income test.
5. Did not allow as a business expense, purchase of capital assets and payments on the principal of business loans.
6. The \$30 plus $\frac{1}{3}$ income disregard was time limited.
7. For applicants that did not receive LIF in at least one of the past 4 months, no earned income disregard was available.

For applicants and beneficiaries that did receive LIF in at least one of the past 4 months, only the \$30 plus $\frac{1}{3}$ earned income disregard was available.

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Supersedes

TN # 97-10

STATE OF MICHIGAN
STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
State: Michigan

ELIGIBILITY UNDER SECTION 1931 OF THE ACT (continued)

8. All income earned by dependent children who are students was counted as income and resources.

X The agency terminates medical assistance (except for certain pregnant women and children) for individuals who fail to meet TANF work requirements.

X The agency continues to apply the following waivers of provisions of Part A of Title IV in effect as of July 16, 1996, or submitted prior to August 22, 1996 and approved by the Secretary on or before July 1, 1997.

1. Waiver of 402(a)(41) and various provisions of the regulations at 45 CFR 233.100(a)(1)(i) and 233.100(c)(1)(iii): 100 Hour Rule – to allow the state to provide Medicaid benefits to unemployed parent recipient families in which the principal earner works 100 or more hours per month.
2. Waiver of 406(a), 45 CFR 233.10(b)(2)(ii)(a)(1), 45 CFR 233.90(b)(3), expanding the definition of a dependent child to include a child who is age 18 or 19, attending high school full-time, and reasonably expected to graduate before age 20.
3. Waiver of 406(a) and 406(b), 45 CFR 233.10(b)(2)(ii)(a)(3), 233.10(b)(ii)(b), 45 CFR 233.90(c)(1)(v), 45 CFR 237.50(b)(2)(ii), expanding the definition of caretaker relative to include:
 - Persons who are legal guardians of a child, and
 - Persons at least age 21, who have petitioned for legal guardianship, and
 - The parent of the child's putative father.
4. Waiver of 402(a), expanding eligibility to include in the group:
 - The spouse of a nonparent caretaker who chooses to be included in the filing unit, and
 - The spouse of a pregnant woman must be included in the filing unit.
5. Waiver of 402(a) and various provisions of the regulations at 45 CFR 233.20(a): Standard Against Which Income is Budgeted – to allow the state to budget against the payment standard.
6. 402(a) Eligibility of Pregnant Women: to allow the state to determine as eligible for Medicaid, pregnant women in any state of pregnancy.

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Supercedes

TN # 97-10